



U.S. Department of Justice

Tax Division

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DAH:DMK:PLBednar
DJ 5-52-20275
CMN 2017102332

April 12, 2023

Via ECF

Honorable Peggy Kuo
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: *United States v. Lax et al.*
No. 1:18-cv-4061 (E.D.N.Y.)

Dear Judge Kuo:

Pursuant to the Court's docket text order of March 10, 2023, the Plaintiff United States and Defendants 307 Hewes Realty Corp., Judith Lax and J.L. (a minor), 299 Hewes Street Realty Corp., Morris Schlager, Gitty Schlager, Joseph Green, Hannah Green, Henny Green, Hershi Green, and JBAM Realty LLC report on the status of issues to be discussed at the upcoming telephonic status conference in this case scheduled for April 14, 2023, at 12:00 p.m. The other Defendants did not participate in this report.

Regarding the 299-301 Hewes Street mediation, pursuant to the United States-Judith Lax settlement agreement, Judith Lax has a monthly payment obligation to the United States that began on December 1, 2022. Regarding the 307 Hewes Street mediation, this settlement has been fully consummated. On April 5, 2023, District Judge Glasser entered an order approving a stipulation and notice of voluntary partial dismissal with respect to Defendants Ben Zion Jacobowitz, Toby Jacobowitz, and 307 Hewes Realty Corp. (Docket No. 369).

A settlement conference regarding the United States' claims against Zlaty Schwartz will take place on June 7, 2023.

With respect to the United States' settlement discussions with Defendant JBAM Realty LLC regarding the claim against it alleged in Count 12 of the Amended Complaint (lien enforcement), the United States plans to revisit such discussions; if there is no significant potential for progress, the United States will inform the Court that the United States intends to

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proceed with the pending litigation as to this claim. The United States' settlement discussions with Intervenor Aron Lax regarding the real property that is the subject of his intervention in this case have reached a standstill; we will advise opposing counsel that if there is not significant immediate progress, the United States will seek a stipulation of dismissal of Aron Lax as a party to this case. The United States' settlement discussions with Defendants Moshe Lax and Zlaty Schwartz regarding certain claims in Count 12 are ongoing. With respect to the United States' settlement discussions with Defendant KGK Jewelry LLC regarding a claim in Count 12, the United States plans to revisit such discussions; otherwise it will inform the Court that the United States intends to proceed with the pending litigation as to these claims.

On April 11, 2023, the United States conducted a deposition by written questions of the Porzio law firm, in light of the Court's decision on the United States' discovery motion regarding the firm (Docket No. 343).

Respectfully submitted,

/s/ Philip L. Bednar

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